

# **Technical (Financial) Assistance Programs for Brownfields**

*Banks, Non-profits, State Assistance and  
Loan Funds*

Bank of America



# **Brownfields Financing 101**

## **Liability/Cost to Cleanup Affect Collateral Value**

- Brownfields are real and suspected
- Real estate secured lending without knowing the condition of the property is too risky for conventional bank credit

## **The Brownfields “Catch 22”**

- You can't borrow until you know the condition of the property and you can't know the condition of the property until you borrow the money to assess it.

# **Brownfields Financing 101**

## **Bank Financing of Brownfields**

- Large Projects
- Well-defined problems
- Problems are small compared to overall project budget
- More like conventional construction lending
- CERTAINTY

## **The Opposite**

- Small sites with unknown condition
- Cleanup costs large in comparison to clean value of property
- UNCERTAINTY

# California Brownfields Financing 101

*Bank says no, where do you go?*

## Three Linked Solutions

- Capacity Building
  - California Center for Land Recycling - CCLR
- Assessment Loan/Grants
  - CalReUse
- Characterization and Cleanup Loans
  - California Environmental Redevelopment Fund - CERF

